



King County

Department of Community and Human Services

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FINAL PROCUREMENT PLAN

Veterans and Human Services Levy: 2.2 and 2.4(b)

2.2: Capital Dollars for Housing

2.4 (b): Services and Operating Funds for Permanent Housing (through 2011)

1. Goal (Overarching Investment Strategy)

The Veterans and Human Services Levy Service Improvement Plan (SIP) set a goal of ending homelessness through outreach, prevention, permanent supportive housing and employment (page 18 of SIP).

2. Objective (Specific Investment Strategy)

Increase permanent housing units for veterans and other persons in need and increase the availability of services for existing or new permanent housing (page 20 of SIP).

The investment initiatives covered in this procurement plan provide the following: 1) capital funds to create new units of affordable housing; and 2) operating funds to make new and existing housing units affordable to households with very low incomes; and 3) funds for supportive services to formerly homeless households moving into or residing in permanent housing.

3. Population Focus

The populations to be served, as stated in the Veterans and Human Services (V-HS) Levy Service Improvement Plan are: 1) Veterans and their families in need who are struggling with or at risk for mental illness, health problems, post traumatic stress disorder, unstable housing or homelessness, and under-employment, 2) Individuals and families who have experienced long-term homelessness and are frequent users of emergency services, jails and other institutions, 3) Individuals who have been recently released from prison or jail who are striving to maintain their family or re-unite with their family, and 4) Families and children at risk of homelessness and involvement with justice, child welfare and other systems.

4. Need for Services

The greatest need for affordable housing in King County is for households at or below 40% of the area median income¹. In addition, there are an insufficient number of housing units for

¹ King County Affordable Housing Benchmarks Report 2006.

the number of households who need permanent housing with supportive services that will help them to retain their housing. The Ten-Year Plan to End Homelessness in King County (Ten Year Plan) has estimated the number of new housing units needed as follows: 1) 3,350 units that have intensive support services on site or available; and 2) 4,300 units with moderate support services available.

Studies from around the country have reported cost savings and greater success by homeless households in permanent housing when appropriate services are provided in housing. In addition, homeless households have very low incomes and operating subsidies are needed to make units serving homeless households affordable.

According to the Ten-Year Plan, millions of tax dollars could be saved annually from overused emergency services and 911 calls by providing safe and affordable housing to homeless individuals and families that is linked with appropriate supportive services. The Ten-Year Plan states that there are 2,500 chronically homeless single adults in King County, 1,800 of whom need a housing model that includes “intensive, on-site services.” The plan also indicates a need for 475 units of housing for high-need homeless families where on-site “intensive services” will be available. Stable housing, linked to the needed array of supportive services, is essential to promoting recovery and employment (p. 18 of the V-HS Levy SIP).

5. Funds Available

Capital Dollars for Housing Development - \$4,927,500

- Total amount available for allocation in 2007 is \$9,855,000, which represents 2006 one-time funds for housing capital (\$8,855,000), plus the housing capital funds for 2007 (\$1,000,000). Of the \$9,855,000, \$5,062,500 is available for homeless veterans and their families and \$4,792,500 is available for other homeless households.
- In the fall round, one half of \$9,855,000 (\$4,927,500) will be available for allocation for the development of housing units. In addition, if any funds are left unallocated from the spring round (also \$4,927,500), those funds will be included (decisions have not yet been made on that funding round).
- Each year thereafter, \$1,000,000 will be available. Of this amount:
 - \$300,000 is available for homeless veterans and their families.
 - \$700,000 is available for other homeless households in need.

Operations Costs and Support Services for Permanent Housing - \$2.5 million total - \$2.25 million for operating and services for permanent housing and \$250,000 for Mobile Community Health Team services (details on the health team are provided in a separate procurement plan)

- Total amount available for operating costs and general supportive services in new or existing permanent housing is \$2.25 million. The total amount of \$2.25 million represents 2007 and 2008 funds for supportive services and operating costs in permanent housing. Each year thereafter, \$1million is available. Of this amount:
 - \$675,000 will be available for veterans and their families this fall round. Each year thereafter, \$300,000 is available for inclusion in an annual RFP.

- \$1.57 million is available to others in need this fall round. Each year thereafter, \$700,000 is available for inclusion in an annual RFP.
 - The \$2.25 million, above, for operating and services (veterans and others) will be combined in a fall RFP with local Homeless Housing and Services Funds, to be allocated to projects in five year funding awards, so that projects can rely on funding for at least five years. We will conduct an RFP process for the annual amount of \$1 million every year, and allocate the funds in five year funding awards.

6. Program Description

Capital Dollars for Housing Development – In the fall funding round approximately \$4.9 million levy capital funds will be available for allocation. As with the spring round, the fall RFP will be coordinated with other local homeless housing funders through a fall joint Notice of Funding Availability (NOFA). Depending on the outcome of the awards for the spring round, which will be decided in late June 2007, we may prioritize particular geographic regions.

The King County Department of Community and Human Services (DCHS) does not develop and manage housing itself. Instead, the Department's Community Service Division /Housing and Community Development Program (HCD) conducts Request-For-Proposal (RFP) processes to allocate available funds to nonprofit housing developers and housing authorities. Each year HCD allocates federal and local funds for low-income housing. HCD has years of experience working with non-profit developers to produce quality housing that is well-managed. Funded projects are monitored for compliance with contract requirements, including the population to be served in the housing.

The proposal for the fall round of Levy capital funds is to prioritize permanent (non time-limited) housing for homeless households, as follows:

- chronically homeless veteran households and other chronically homeless households with intensive service needs; and
- homeless households (veterans and others, including youth and young adults) that have a moderate need for services.

For those funds targeted to veterans, and in order to meet the goal for serving veterans, HCD proposes to give the highest priority to projects that already have a partnership with a veteran-serving agency able to identify the service and housing needs of their clients, and actually refer appropriate veterans into the housing. Priority will also be given to projects that have a concrete plan to develop a working relationship with an existing veterans program or system.

Operating Costs and Supportive Services for Permanent Housing – HCD will also announce the availability of \$2.25 million for operating costs and services linked with new or existing permanent (non time-limited) housing serving veterans and other persons in need as part of the 2007 fall joint NOFA.

Funds will be allocated through a competitive RFP process and be awarded to non-profit organizations that have identified units of affordable permanent housing and have a solid service plan for the participants, including on-site services that meet the tenants' individual needs. Funds will be distributed countywide and special consideration will be given to assure that these resources are used to create a variety of housing choices and supportive service opportunities for participants.

The application for the fall round of Levy services and operating funds will prioritize funding for permanent housing and services for homeless households. This includes:

- chronically homeless veteran households and other chronically homeless households with intensive service needs; and
- homeless households (veterans and others, including youth and young adults) that need supportive services linked to permanent housing.

Supportive services may include, but are not limited to, the following: case management and advocacy, engagement and outreach, housing support and life skills training, employment counseling, job search assistance, education and training, money management and credit repair, domestic violence and sexual assault support, mental health and substance abuse counseling (not covered by other resources), legal assistance, children's services and interpreter services.

Operating funds will cover the costs to run and operate housing that is affordable to households with very low incomes, or costs for individual rent subsidies for project participants.

Selected agencies must either have direct experience working with the target populations or have partnership agreements in place with a specialized provider to assure that services are sufficient and appropriate.

For those funds targeted to veterans, and in order to meet the goal for serving veterans, HCD proposes to give the highest priority to projects that already have a partnership with a veteran-serving agency able to identify the service and housing needs of their clients, and actually refer appropriate veterans into the housing. Priority will also be given to projects that have a concrete plan to develop a working relationship with an existing veterans program or system.

7. Coordination/Partnerships and Alignment Within and Across Systems

The Levy Service Improvement Plan calls for alignment with the Committee to End Homelessness (CEH) (page 34 of SIP) and the Ten-Year Plan to End Homelessness. DCHS has prioritized the goal of ending homelessness and works in very close partnership with the CEH as well as with public funders in King County.

The CEH supports regional planning and coordination among public homeless housing funders. (page 35 of SIP). In coordination with CEH and the V-HS Levy Oversight Boards, DCHS is working with regional partners to jointly allocate funds for housing capital, operating costs and services in permanent housing, as well as other new initiatives that

emerge. The goal of this coordination among regional funders is to provide complete funding (e.g., capital dollars if necessary for actual housing units, operating funds for the housing, and supportive services for the tenants) to the highest ranked homeless housing and service projects as quickly as possible. Ultimately, this will simplify the process for developers so that they do not have to spend years gathering sufficient funding to start construction and to operate the project.

8. Timeline

HCD's Request for Proposal processes will begin with the publication of a joint NOFA by the homeless housing funders' group in King County. This NOFA provides prospective applicants with information about the amount and type of funds available this fall, and the relevant dates for the application processes. The NOFA will contain information about limitations and priorities for a variety of funding sources and offer detailed information about what is required for a competitive project proposals.

Activity	Date
Joint NOFA issued.	Early July 2007 (exact date to be determined)
Joint NOFA application workshop. RFP's posted on website for applicants.	Mid July 2007 (exact date to be determined)
Mandatory pre-application meetings for capital housing funds. Bidders' conference for applicants for operating and supportive service funds.	Late July/Early August 2007 (exact dates to be determined)
Applications due for all RFP's	Early September 2007 (exact date to be determined)
Review of applications	October and November 2007
Projects awards announced	December 2007

9. Selection of Projects/Activities

Housing Capital Application Review – The two V-HS Levy Oversight Boards will each be invited to send a representative to participate in the process of reviewing and making recommendations on the housing capital project applications. HCD staff will conduct an initial technical and financial feasibility review of the proposals, which may include consultation with other experts in the field, and will include consultation and coordination with the other funders in the joint NOFA. Staff will prepare a written analysis of each project application and will provide this analysis to representatives from the cities in King County and the two representatives from the V-HS Levy Oversight Boards. Staff will convene a meeting with the cities and oversight board representatives to discuss the feasibility of each the projects and to make recommendations concerning funding awards. Final funding decisions will be made by the interjurisdictional Joint Recommendations Committee pursuant to our usual process for capital funding decisions.

Operating Costs and Supportive Services for Permanent Housing– Each Oversight Board will send one representative to participate in the process of reviewing and making recommendations for funding awards for operating and supportive services in permanent housing. HCD staff will conduct an initial threshold review of the proposals to ensure that

they are complete, and that they meet eligibility requirements for funding. Applications will then be assigned to review team members to be read and scored individually, based on set criteria. These review teams will include Oversight Board representatives, as well as others who represent a variety of geographic and programmatic areas and other public funders involved in the fall NOFA. Once applications have been reviewed and scored, scores will be summarized and projects ranked. The review team will meet as a group to discuss the highest ranked proposals. The review team will make award recommendations to the DCHS Director, who will make the final funding decisions. Since V-HS Levy funding will be paired with other local funding sources, the timing of funding decisions and application review will be coordinated with other funders in the joint NOFA.

10. Geographic coverage

Funds will be available for projects located anywhere in King County, with a goal of supporting projects in all sub-regions of the County: South, Northeast and the City of Seattle. HCD staff and participants in the review process will consider geographic spread when reviewing the project applications. HCD will report annually on the geographic dispersion of the housing projects and will request input from the Oversight Boards and stakeholders concerning the need for targeting specific areas of the county. Predetermining geographic locations is not possible because there are many variables at play for non-profit developers in securing appropriate properties and for service providers locating appropriate housing units.

11. Funding/Resource Leverage

Capital Dollars for Housing Development - Housing projects are expensive, costing approximately \$200,000 per unit on average in capital funds. Therefore, V-HS Levy funds will need to leverage other investments. The housing providers awarded levy capital funds will be able to leverage additional capital resources at the rate of approximately \$5 for every \$1 of levy funds committed.

Operating Costs and Supportive Services for Permanent Housing – The funds available for these investment areas will leverage other local funds. In the fall 2007 NOFA, approximately \$6 million of Homeless Housing and Services Fund dollars will be paired with the V-HS Levy dollars to fund a variety of projects throughout the county. Additionally, V-HS Levy dollars will be used by providers to leverage other local, state and federal resources.

12. Evidence-based Best Practices

The Corporation for Supportive Housing has stated that “supportive housing is a successful, cost-effective combination of affordable housing with services that helps people live more stable, productive lives.” It is designed to help those who face complex challenges by providing access to a flexible array of comprehensive services including medical and wellness, mental health, substance use management and recovery, vocational and employment, money management, life skills, household establishment, and tenant advocacy. Studies have shown that housing first and permanent supportive housing positively impact the health of homeless households, including decreases in emergency room visits and hospital inpatient days, and increases in the use of preventive health care services. Levy

funds will be invested in this model through coordination of the funding sources needed to make permanent supportive housing successful.

Services provided to or connected to the housing funded through the levy will need to meet the following general best practice standards, at a minimum: 1) non-threatening and flexible approach to engaging and connecting people with services, 2) provide a level of support that meets the needs of the person/household recognizing that homeless households have a wide range of service needs 3) coordinate health and treatment needs with services where applicable and possible, and 4) crisis intervention services are available where applicable and possible.

HCD staff will work with project applicants to identify the most appropriate evidence-based best practices cited in the Levy Service Improvement Plan and the Ten-Year Plan for each proposed project.

13. Disproportionality Reduction Strategy

The HCD program will announce funding availability widely and prioritize projects that have an inclusive marketing plan. This will include at a minimum announcements of available housing units and services through community organizations and/or community-based publications that serve racially and ethnically diverse populations. HCD will also prioritize project applicants who will work with community organizations to address barriers to accessing housing and services.

14. Dismantling Systemic/Structural Racism

DCHS, CSD and its HCD program will work with its Undoing Institutional Racism Committee to identify and remove barriers in our application processes to ensure that our process is as inclusive as possible. HCD will conduct outreach to build an inclusive mailing list for our NOFA to ensure that agencies serving minority populations are aware of the funding opportunities outlined in this procurement plan. HCD will prioritize projects for funding that address housing barriers and explain how the project might overcome barriers having a disproportionate impact on people of color. In addition, HCD will prioritize projects that include community based organizations serving racially and ethnically diverse populations in the project planning as a way of increasing equal access to the housing.

HCD makes special note of fair housing requirements in our application and contracting processes, and in our monitoring of projects. We intend to increase monitoring to ensure that projects funded through the levy are complying with fair housing requirements and are following through on the plans expressed in their answers to related questions in the application. We will monitor to ensure that the supportive services provided contain a related strategy for dismantling systemic racism. Fair housing laws do not allow housing providers to target permanent housing projects for households of a particular race, ethnicity, gender, etc., therefore, we must approach racism in the housing arena through emphasis on equal and fair access.

15. Cultural Competency

All DCHS staff will be attending a cultural competency training relating to contracts and monitoring so that we can improve our own cultural competency, as well as the cultural competency of the agencies we fund to serve an increasingly culturally diverse public. All RFP's include questions about cultural competency and how the ethnic and cultural make-up of clients served is considered in agency planning, evaluation and service provision.

HCD will prioritize projects that ensure the housing management staff and support services staff are trained in cultural competency, such that they accept cultural differences, and respect the choices, languages and traditions of different cultures. In addition, we will prioritize projects that have a plan to assess and accommodate language needs to the extent feasible.

16. Improvement in Access to Permanent Housing and Supportive Services

We will prioritize projects that have inclusive marketing plans and are culturally competent. In addition, we will work with housing developers and support services agencies to use best practices in the coordination of services most suitable to the population to be served. For agencies that propose to serve veterans we will prioritize projects that work with existing veterans' programs to identify housing needs and services, and refer veterans to appropriate housing and services.

17. Outcomes

There are 3 levels of outcomes that HCD intends to measure for the homeless housing units created, and services and operating in permanent housing.

- Short term outcomes - improvement in access to housing in terms of the number of additional housing units created, number of housing units made available to the homeless through operating subsidies, and the number of persons receiving supportive services (veterans and others in need).
- Medium term outcomes - Stability of tenants in permanent housing, using indicators such as retention of permanent housing, reduced use of public services and expensive interventions, and tenants' perception of quality of life and well-being.
- Long term outcomes – As part of the CEH goal of ending homelessness, HCD will work with the community at large, CEH and other public funders to measure reduction in homelessness, reduction in the number of households that are severely cost burdened and at risk for homelessness and reduction in the percentage of homeless persons that are persons of color.

18. Process and Outcome Evaluation

The investment strategy to increase permanent housing with supportive services for veterans and other persons in need will be evaluated on both process and outcomes by evaluators hired in the Community Services Division of DCHS. HCD will work with the evaluators to measure the effect of the Levy on process issues such as startup activities, contracting processes, collaboration and system level changes that occur, and on the outcomes listed above.